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**AS GAS PRICES SOAR,
CPA FINANCIAL PLANNERS OFFER ADVICE**

NEW YORK (June 5, 2008) – Now that the average cost of a gallon of gas is heading closer to \$4, are you thinking about buying a more fuel-efficient vehicle? The American Institute of Certified Public Accountants advises that you consider all the costs involved in trading in the old for the new.

“Owners of automobiles need to look at the total cost of ownership when they evaluate swapping their gas-guzzler for a more economic vehicle,” said Steven Levey, CPA/PFS, of GHP Horwath PC in Denver. “Saving gas dollars may not be enough.”

Levey gave this example: Assume you drive 15,000 miles per year, with gas at \$4 per gallon. If your vehicle gets 15 miles per gallon, divide 15,000 by 15. Your vehicle uses 1,000 gallons per year. With gas at \$4 a gallon, you’re spending \$4,000 a year on fuel. If you trade your vehicle in for one that gets 25 miles per gallon, your gas costs are \$2,400 per year (15,000 divided by 25, or 600 gallons).

“This looks like a potential savings of \$1,600 or \$133 a month,” Levey said. “But you also have to look at the transaction costs.”

A newer car can sometimes mean higher insurance, higher monthly payments, more interest, and sales tax on the purchase. “In fact, if you try to make money by selling your old car outright, you may pay sales tax on the full purchase price compared to sales tax on the trade-in price,” Levey said. “Another factor of true cost is depreciation. The gas guzzler may not be worth the loan payoff, so negative equity will be added to the cost of the new automobile.”

If you’re looking into a hybrid car, Levey recommends comparing the cost of the hybrid to the equivalent gas-powered vehicle. Hybrids can cost several thousand more. You have to consider the deferred cost of replacing the batteries. “The saving grace then might be a tax credit and the gas mileage,” Levey said.

Here are some additional tips on coping with high gas prices from CPAs who hold the AICPA’s Personal Financial Specialist (CPA/PFS) credential:

-more-

- “Offset high gas prices by looking at your other expenses. Eat in more and shop less. Control ATM withdrawals. It’s hard to keep track of small expenses, and they can really add up.”

Lyle Benson,
L.K. Benson & Co., Baltimore

- “Try car-pooling. Ask your neighbors or take out a classified ad in your local newspaper. If it’s possible, ride a bike to work or walk.”

Michael Eisenberg, Los Angeles
Member, AICPA National CPA Financial Literacy Commission

- “Instead of making several trips to run errands, try combining errands in order to use your car less frequently. If you live in an urban area, do your light errands on foot or by bicycle rather than by car. You’ll save on gas and get exercise at the same time.”

Beth Gamel,
Pillar Financial Advisors, Waltham, Mass.
Member, AICPA National CPA Financial Literacy Commission

- “Consider gas cards that offer a percentage off on purchases, and consider public transportation.”

Marc Minker,
Mahoney Cohen & Company, New York
Member, AICPA National CPA Financial Literacy Commission

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